

SPI-Report No. 2

Questionnaire to MFIs on measuring social performance

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Based on the four dimensions identified for measuring social performances, the research team listed possible questions and indicators of social performance. This set of questions was mailed to selected MFIs from late January to March 2003. We requested the managers of the MFIs to comment on each of the dimensions, subdimensions, and indicators, in particular on the perceived relevance, validity, and practicability of the questions. The questionnaire was deliberately large to allow the MFI managers to choose themselves which of the indicators appeared the most relevant.

1. INTRODUCTION LETTER TO MICRO-FINANCE INSTITUTIONS

Paris, January 2, 2003.

Dear Sir/Madam,

Much effort has been put until now into providing standardized and reliable tools for Microfinance Institutions (MFIs) to measure their financial performances. However, most of the MFIs want also to fulfil a social mission, but reporting on social performance is still largely anecdotal in the absence of a clear, industry-wide, accepted framework for social performance indicators.

An initiative has been launched in 2002 as a joint venture between the Argidius Foundation, CERISE and CGAP to define a set of indicators of social performance for microfinance institutions (see Annex 1 for details).

The study is aimed at developing a conceptual framework and an indicative matrix of indicators of social performance that MFIs could use to assess and monitor their social performances, and to provide greater transparency to MFI financiers on the same. The social performance would complement the currently used financial performance indicators.

At this conceptual stage, we would greatly value your input, as MFIs are normally the main users and the main beneficiaries of this tool. We send you in the Annex 2 a proposed framework of indicators aimed at measuring social performances. **At this stage, we are not interested in the records of your organization but we would appreciate your opinion regarding this frame:**

- From a general point of view, do you think this framework is relevant? Can it be useful for your organisation? Would you have incentive to use this frame? Would you have the time and information to fill in such a form?
- Indicator by indicator, how would you rate the relevance of each of them in terms of availability of the information, reliability, quality for measuring social performance?
- Would you suggest alternative or additional indicators ?

We would be glad if you could answer this rapid questionnaire no later than March 31, 2003. You can send your answer by mail (Cécile Lapenu, CERISE, 1 rue Ranson, 16200 Foussignac, France), but preferably by Email as file attachment (cerise@globenet.org) or by fax (00-33-140-36-92-92).

By April 2003, we will send you the results of this survey and keep you informed on the next steps of the study. In particular, if MFIs and supporting agencies (CGAP and member donors in particular) are interested in developing such a frame further, and if your own institution would like to participate more formally, you may be associated in the second step of field testing of the indicators.

We thank you deeply for your attention and cooperation.

We take the opportunity of this letter to send you our best wishes for 2003.

Sincerely yours,

The research team,

Prof. Dr. Manfred Zeller – Göttingen University, Germany.

Dr. Martin Greeley – Institute of Development Studies, Manchester UK.

Dr. Cécile Lapenu – Cerise, France.

Annex 1 : Social Performance Indicators Initiative

Reporting on social performance by MFIs is still largely anecdotal in the absence of a clear, industry-wide, accepted framework for social performance reporting. It can be used as a complement to, and on equal footing with financial performance, and would also allow comparison between peer groups of MFIs. In the future we can expect diminishing resources for development assistance from public donors. At the same time, we see a growing interest for MicroFinance on the part of private social investors. In this setting, it would be important for MFIs to develop the capacities for the simultaneous pursuance of financial and social objectives, and reporting on it in a manner which can stand the test of external auditing on both accounts. This can also help to improve understanding of possible trade-offs between economic and social returns on investment.

The Social Performance Indicators Initiative, launched in June 2002, is a joint venture of the Argidius Foundation (funding of phase 1), CERISE¹ (coordination, project administration and implementation) and CGAP (overall co-ordination).

The SPI is guided by a steering Committee formed by Prof. Dr. Syed Hashemi (CGAP, USA), Dr. Renée Chao Beroff (CIDR/CERISE, France), Dr. Koenraad Verhagen (Argidius Foundation, Switzerland).

The research team is formed by Prof. Dr. Manfred Zeller (Team leader – Göttingen University, Germany), Dr. Martin Greeley (Institute of Development Studies, Manchester UK) and Dr. Cécile Lapenu (Cerise, France). Members of the research team already participated in similar initiatives (M. Zeller and C. Lapenu are co-authors of the Poverty Assessment Tool developed for CGAP and M.Greeley is member of IMP-ACT project lead by IDS and funded by the Ford Foundation).

The objective of the first step is to develop a framework for a cost-effective, valid and reliable system for rating and assessment of social performance of MFIs. The primary purpose of such a rating system is to help MFI managers and board members to better monitor their outreach to the poor, to follow their social objectives and to improve the quality of their financial services to the vulnerable.

Social goals and objectives for MFIs should take into account four dimensions of social performances:

1. Mission and Targeting Strategies for Improved Depth of Poverty Outreach

MFI have generally been developed to reach a population excluded from the classical financial system. MFI can aim to reach socially excluded or poorest populations, or simply to offer financial services in a region where classical banking systems are absent. The depth of outreach of the MFI can be measured to evaluate its focus on the economically and socially excluded populations.

2. Pro-poor services and products

It is not enough to decide to reach a target population: the MFI must work on the design of its financial services so that they can fit with the needs and the constraints of this population.

¹ CERISE (Comité d'Echange, de Réflexion et d'Information sur les Systèmes d'Epargne-crédit) is a platform of France-based, leading Microfinance support organizations (IRAM, CIDR, GRET, and CIRAD). CERISE was started in 1998, and since then it has organized various studies and seminars on the following themes : financing of agriculture, governance, social impact, MFIs in remote rural areas, etc. Each CERISE member is part of an extensive network of MF practitioners providing MF services in countries of the South.

3. Improving social and political capital of clients and communities

The promotion of social links and social capital fulfils two main objectives: for the MFI, trust between the MFI and the clients can reduce the transaction costs and improve repayment rates: it can foster collective action, reduce free-riding and opportunistic behavior, reduce risks, etc. For the clients, possessing social and political capital can strengthen their social organization (collective action, information sharing, etc.) and foster their capacity-building.

4. Social responsibility of MFI

Social awareness is necessary for the MFIs for the same reasons that financial sustainability and institutional sustainability are important for the global sustainability of the MFI. Social responsibility requires a good implication of the local branches in their socio-economic context, guarantees adapted to the local conditions, and balanced relationships between staff and clients (in particular in MFIs where there are elected clients who participate in decision making).

Any 'performance assessment system' derives its legitimacy and relevance from the underlying value system. What is considered relevant in terms of social performance will vary with the culture of the people. The criteria of donors, MFIs and MFI clients are likely to be different, because they belong to different cultures and adhere to different value systems. The indicators should take these constraints into account.

The indicators and benchmarks will be developed to ensure easy integration into a more comprehensive Management Information System and help management to pursue the dual objective of financial sustainability and social performance. The rating, according to standardised criteria, will also inform international donors and social investors on the poverty orientation of a MFI, the significance and depth of its outreach, the breadth of its range of services and products offered, and the existence of specific strategies for client empowerment. An MFI managed system which generates regular and systematic data on social performance will also simplify reporting to donors/investors, while cost-effective external rating may reduce the need for the more cumbersome 'impact assessments' and external evaluations.

The first stage of this initiative should answer the following questions:

- What is meant by social performance (SP) of MicroFinance Institutions?
- What SP indicators and yardsticks exist? Which SP indicators can be used for MFIs?
- What is their relevance and validity as indicators; reliability and practicability (cost-effectiveness)?
- To what extent can such indicators be used for cross-country comparisons?

In a second stage, if necessary, field-testing of matrix and indicators will be conducted with a number of MFIs, yet to be determined.

Some general points on definition of social performance of an organization. The social performance of an organization (whether private-for-profit firm, cooperative or NGO) comprises the relations of the organization with its clients and with other stakeholder groups. Social performance is not equal to social impact, i.e. the change in welfare and quality of life (in all of its dimensions) among clients and non-clients (and the wider local, national and global community) as a result of the organizations' activities.

Following the Structure-Conduct-Performance (SCP) paradigm of industrial organization, the impact of an organization on socio-economic and environmental dimensions follows from its structure, conduct and performance and is influenced and/or conditioned by the external environment of the organization.

Structure → Conduct → Performance → Impact (on clients/non-clients, communities etc. in many dimensions)

Thus, social performance is a subset of social impact, and therefore is easier to measure than impact².

The measurement of social performance involves to investigate the structure of an organization (i.e. mission, ownership, management principles, relation to and care for its staff) and its conduct in the market and community (services, products, market behavior, other relations with clients and other stakeholders, incl. community and social/political organizations).

On measurement of social performance in the financial sector. It should be noted that some big-finance companies in Europe (e.g. Deutsche Bank and UBS), South Africa, and Australia, increasingly recognize the need to report on their social performance as their investors and other stakeholders in society are not simply interested in the ONE bottom line. In fact, a number of large banks and insurance companies finance a project that seeks to advance the measurement of social performance of the corporate banking and insurance industry (see www.spifinance.com). In the not-so-distant future, there will be three bottom lines for any business: economic, social, and environmental. In our project, we focus with your expertise on the second bottom line concerning the social performance of the MFI sector.

Timing:

June 3, 2002 : Launch of the initiative

Meeting in Amsterdam between Syed Hashemi (CGAP), Koenrad Verhagen (Argidius Foundation), Manfred Zeller (Göttingen University), Martin Greeley (IDS), Cécile Lapenu (Cerise).

September 9-12, 2002: Social performances indicators in CGAP Strategy 2003-2008

On CGAP Ninth Consultative Meeting, in Rabat (Morocco), several speakers raised the importance of increasing ‘social transparency’ of MFIs. One can read on CGAP Strategy 2003-2008 document: *“CGAP wishes to achieve positive social impact to complement the financial impact of micro finance. To this end, CGAP will work to help the industry measure social and development performance. Building on work others have done in this area, CGAP will help develop a limited number of simple indicators linked to the Millenium Development*

² Impact could be included in social performance. However, the assessment of impact is methodologically very demanding, time- and cost-intensive. Other projects deal with the issues related to impact assessment. It also seems that assessing impact is something that should be done for policy analysis, not necessarily for assessing business strategies of MFIs, unless a particular MFI or MFI-network wishes to conduct impact analysis on its own. Thus, impact assessments are infrequent, and usually conducted by external reviewers.

Goals. Micro finance institutions will be encouraged to report on this set of social performance indicators in the MIX [Micro finance Information eXchange] and to donors”.

October – December, 2002:

Work of the research team on a matrix of social performance indicators

January 2-6, 2003:

Letter to MFIs to gather reactions from the practitioners.
Reactions expected end of March.

April – June, 2003:

Work of the research team in collaboration with the steering committee and based on the reactions sent by the MFIs to assess the interest and constraints for developing a cost-effective, valid and reliable system for rating and assessment of social performance of MFIs.

August 2003:

Finalization of a summary report (1) on a proposed set of indicators and, (2) if necessary, proposing field-testing of the indicators.

ANNEX 2 : DIMENSIONS AND INDICATORS OF SOCIAL PERFORMANCE

Dimensions of social performance of MFIs.

We preliminarily define the dimensions of social performance of MFIs as follows:

Dimension 1: Mission and Targeting Strategies for Improved Depth of Poverty Outreach (in short Outreach to the Poor)

Dimension 2: Pro-Poor Services and products

Dimension 3: Improving social and political capital of clients and communities

Dimension 4: Social responsibility of MFI

What we mean by these dimensions can be – for now – best defined by the types of issues and indicators that are included in attached questionnaire.

Objective of the questionnaire addressed to your MFI. With your assistance, we seek to identify issues relevant to your MFI or to the MFI industry in your country and to identify indicators that can be provided with more or less ease by the MFI itself or that could be obtained through low-cost external audits, whether qualitative or quantitative indicators that are obtained through various research tools with MFIs and/or their clients and other stakeholders. Research tools could be in-depth interviews, surveys, and so on. Ideally, indicators should be simple, reliable, directly available from the Management Information System of all MFIs, easy to compare between MFIs, not subject to falsification, and directly computable by the MFIs. Of course, for cost reasons, ideally only information provided by the MFI that is readily available from its MIS should be used. However, based on your responses, we may find that some dimension of social performances is felt to be important, and may need in depth investigation.

Structure and content of the questionnaire. Of course, not all indicators in our questionnaire fulfil all these requirements, and some may even require an external audit either through qualitative or quantitative research tools addressed to the MFI, its clients and non-clients, or to other stakeholders of MFIs. We distinguish the following sources of information in the questionnaire:

- 1) Official **reports** of MFI (e.g. mission statement, annual reports, reports to donors, etc.)
- 2) **Self-assessment** by senior management of MFI (possibly through formal questionnaire or in-depth interview). The self-assessment results could be published, and perhaps be checked by external reviews such as the poverty audits. .
- 3) Management Information System (**MIS**) of MFI and other statistics readily available to MFIs
- 4) Survey (for staff of MFI only)

If these 4 sources are not feasible, but if your ranking of the dimension and/or subdimension shows that this is important, this may suggest the need to undertake external audits, possibly with primary qualitative and quantitative research methods (i.e. surveys).

**SURVEY ON THE VALIDITY OF INDICATORS OF
SOCIAL PERFORMANCES FOR THE MFIs**

Date :

Name of the MFI:

Country:

Name of the respondent(s) / Status within the MFI:

1. Which dimensions/subdimensions are important?

What is important is mainly a value judgement. We ask you as MFI managers to rate the relative importance of each dimension. For each dimension/subdimension of social performance of MFI, we have developed a table with a set of indicators (see paragraph 2: Which indicators can measure social performances). Before going in detail through the indicators, we ask you to give a rank from 1 to 5 for each of the dimensions and on each of its subdimensions. The ranks are defined as follows:

This dimension/subdimension is

1 = not at all important

2 = somewhat important

3 = important

4 = very important

5 = extremely important

for measuring the social performance of a MFI.

At this stage, we do not ask you to fill up the questionnaire with the performances of your MFI but to rank the different indicators in order to help us select a limited number of relevant indicators that could form a basis for evaluating MFI's social performances

DIMENSIONS AND SUBDIMENSIONS OF SOCIAL PERFORMANCES	RATING SCORE (1-5)
1. DIMENSION 1: OUTREACH TO THE POOR	
1.1. MFI’s Focus on Poverty Outreach, Financial Sustainability and Welfare Impact	
1.2. Geographic focus of MFI	
1.3. Sectoral and socio-economic focus of the MFI	
1.4. MFI’s operational conduct towards reaching the Poor and/or socially excluded	
2. DIMENSION 2: PRO-POOR SERVICES AND PRODUCTS	
1.5. Type of financial services	
1.6. Type of non-financial services offered by the MFI	
1.7. Client satisfaction	
3. DIMENSION 3: IMPROVING SOCIAL AND POLITICAL CAPITAL OF CLIENTS AND COMMUNITIES	
1.8. Empowering clients (who among them and for what)	
1.9. The role of the MFI as lobby institution for the powerless	
1.10. Transparency, accountability, and access to information	
4. DIMENSION 4: SOCIAL RESPONSIBILITY OF MFI	
1.11. Rules of conduct met by the MFI as employer	
1.12. Adaptation to local culture, traditions and values	

Comments on the dimensions and subdimensions

Which dimensions/subdimensions do you see as missing?

Dimensions:

Subdimensions (within which dimension?):

2. Which indicators can measure the social performances in dimensions and subdimensions ?

We will now try to define a set of indicators for each dimension. Each table has a similar structure. For each Subdimension, we suggest one or more possible indicators. For each indicator, we ask you four questions which are detailed in the following table.

For each indicator, the following classification should be completed:

	<p>A – Relevance</p> <p><i>This indicator is relevant for measuring social performance of our MFI</i></p> <p>1= disagree 2= neutral 3= agree</p>	<p>B Ease of (more or less subjective) self-assessment</p> <p><i>The indicator can be easily be self assessed by the management of the MFI</i></p> <p>1= disagree 2= neutral 3= agree</p>	<p>C – Ease of information gathering</p> <p>If the source is not self-assessment by the management of the MFI: <i>The information for this indicator is obtainable from our MIS or from other sources</i></p> <p>1= not at all possible to obtain this information 2 = possible, but tedious to obtain 3= easy to obtain</p>	<p>D – Your overall satisfaction with this indicator</p> <p>To summarize the points A-C, rank the indicator with respect to its potential of measuring social performance and its operational ease (costs/time) to do this.</p> <p>1= very poor 2= poor 2= reasonable 4=good 5= very good</p>
Indicator				

We ask you to rank the relevance of the indicators in terms of measure of social performances for each of the four questions in the following tables.

DIMENSION 1: OUTREACH TO THE POOR

Subdimension 1.1. MFI's Focus on Poverty Outreach, Financial Sustainability and Welfare Impact

No	Indicator	Source	Relevance (1-3)	Self-assessment (1-3)	Ease of info (1-3)	Overall satisf. (1-5)
1	Awareness: Do official reports and/or website of the MFI mention the word poverty (Never=1, sometimes=2, rather often=3, often=4, very often=5)	Reports				
2	Target group in MFI reports: Does the MFI seek to reach those individuals, farms or other micro- and small enterprises that usually do not obtain financial services from the formal sector? (Excluded=1, not a specific target=2, targeted as a minor part of the clients=3, targeted as a major part of the clients=4, exclusive target=5)	Self				
3	Poor target group in MFI reports: Does the MFI seek to reach the poor (however defined)? (Excluded=1, not a specific target=2, targeted as a minor part of the clients=3, targeted as a major part of the clients=4, exclusive target=5)	Self				
4	Poorest target group: Does the MFI seek to reach the <i>Poorest in Society</i> (e.g. landless, casual laborers, handicapped, or victims of AIDS/civil strife/ natural catastrophes)? (Excluded=1, not a specific target=2, targeted as a minor part of the clients=3, targeted as a major part of the clients=4, exclusive target=5)	Self				
	Mission: On a scale from 1 to 5 (1= less important, 5 very important), how would the senior management of the MFI rate the following possible objectives for their MFI:					
5	...Financial Sustainability of the MFI	Self				
6	...Outreach to the Poor	Self				
7	...Outreach to the Poorest of the Poor	Self				
8	...positive impact on income of clients	Self				
9	...positive impact on education and social status of clients and their family members	Self				
10	...positive impact on nutrition and health of clients and their family members	Self				
11	...Indirect positive impacts on income/welfare of poor non-clients (e.g. through employment/growth effects of clients operating SMEs)	Self				
12	...Wider impacts on socio-political life in community (i.e. supporting social mobilization)?	Self				

Comments on this table:

Dimension 1: Outreach to the poor**Subdimension 1.2. Geographic focus of MFI**

No	Indicator	Source	Relevance (1 –3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
	Geographic focus: Does the MFI work in ...	Self				
1	rural areas (1 = none, 2= less than 30 % of the clients, 3= about 30-60 %, 4 = about 60-90%, 5 = more than 90%/all)	Self				
2	remote areas (Possible criteria: Some clients live more than 20 kilometers off a road a NON-four-wheel drive car can drive all year round) (1 = none, 2= less than 30 % of the clients, 3= about 30-60 %, 4 = about 60-90%, 5 = more than 90%/all)	Self				
3	Areas with nationally below-average socio-economic development (1 = None, 2= less than 30 % of the clients, 3= about 30-60 %, 4 = about 60-90%, 5 = more than 90%/all)	Self				
4	In relatively poor (i.e. At Least Below-Average) URBAN areas (1 = None, 2= less than 30 % of the clients, 3= about 30-60 %, 4 = about 60-90%, 5 = more than 90%/all)	Self				

Comments on this table:

Dimension 1: Outreach to the poor**Subdimension 1.3 Sectoral and socio-economic focus of the MFI**

No	Indicator	Source	Relevance (1 –3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
	Sectoral/socio-economic focus of targeting client group: Does the MFI provide loans (1 = Never, 2= less than 30 % of the loans, 3= about 30-60 %, 4 = about 60-90%, 5 = more than 90%/all) to ...	Self				
1	SMEs/MMEs in handicraft or trade sector	Self				
2	landless tenants	Self				
3	casual laborers	Self				
4	community organizations pursuing socio-economic and/or cultural objectives	Self				
5	To men	Self				
6	To women	Self				
7	To individuals less than 25 years	Self				
8	To illiterate individuals	Self				
9	To persons belonging to ethnic minorities	Self				
10	To persons belonging to religious/cultural minorities	Self				
11	To persons belonging to minority/opposition political parties					

Comments on this table:

Dimension 1: Outreach to the poor**Subdimension 1.4 MFI's operational conduct towards reaching the Poor and/or socially excluded**

No	Indicator	Source	Relevance (1 –3)	Self-asses. (1-3)	Ease of info (1-3)	Overall satisf. (1-5)
1	Target Group: Does your MFI have a defined target group (1=Yes, 0=no)	Self				
2	Do you use targeting criteria to reach the target group better and to reduce leakage to the non-target group ? (1=Yes, 0=no)	Self				
3	Do you use any of the following targeting devices (a thru d) for improving the depth of poverty outreach of your MFI? (1=Yes, 0=no)	Self				
4	a) A MEANS test (Any one single indicator or a combination of indicators, such as illiteracy, farm land size, possession of a TV etc.) (1=Yes, 0=no)	Self				
5	b) An poverty/vulnerability index derived from a set of indicators with any sort of weighing scheme (e.g. housing index, CASHPoor index, or any such indexes developed by yourself or by government etc.) (1=Yes, 0=no)	Self				
6	c) Geographic targeting of poor populations, using geographically disaggregated data for socio-economic indicators such as percentage of poor population, infant mortality, or percent minority population (1=Yes, 0=no)	Self				
7	d) Participatory wealth ranking (The community identifies the poor among themselves, and only those identified by the poor become the MFIs clients) (1=Yes, 0=no)	Self				
8	In last 12 months (or last reporting year), average size of loan (in local currency [maybe we better ask in local currency and then the calculation as a % of GDP is made when entering the data of the survey])	MIS				
9	In last 12 months (or last reporting year), average size of loan for first-time borrowers only (in local currency)	MIS				
10	In last 12 months (or last reporting year), average size of savings deposit (in local currency)	MIS				
11	Amount of lowest savings deposit in last 12 month	MIS				
12	Amount of smallest loan in last 12 month	MIS				
13	Amount of largest loan in last 12 month to first-time borrower	MIS				
14	Do you know the Poverty Assessment Tool? Did you use/ do you plan to use the poverty assessment tool to find out whether your MFI reaches the relatively poorer segments of the population in the operational area of your MFI? (1=Yes, 0=no)	Self				
15	Ratio 1-3 of CGAP Poverty Assessment Tool (e.g ratio 1 is % of clients belonging to poorest tercile of the population), see www.cgap.org under PAT	PAT				

Comments on this table:

DIMENSION 2: PRO-POOR SERVICES AND PRODUCTS**Subdimension 2.1 Type of financial services**

No	Indicator	Source	Relevance (1-3)	Self- assessment	Ease of info (1-3)	Overall satisfaction
1	Is there a minimum savings deposit for a VOLUNTARY savings product. If yes: how much is it in local currency?	Reports				
2	Is there a minimum loan size. If so: how much in local currency	MIS				
3	How many different loan products does your MFI have?	Self				
4	How many different VOLUNTARY savings products does your MFI have?	Self				
5	Do you offer insurance against loss of life and/or sickness and/or any other individual risk of clients? (1=Yes, 0=no)	Self				
-	Do you provide so-called "consumer" or general household/emergency loans? (1=Yes, 0=no)	Self				
7	Do you provide housing loans? (1=Yes, 0=no) Percentage of the volume of the loan portfolio?	Self				
8	Are clients involved in the definition of the services provided by the MFI ? (Never=1, only at the beginning=2 for some of the new services=3 for most of the new					
9	Effective interest rate charged by your MFI on major loan product	MIS				
10	Effective interest rate charged by commercial/state-owned banks on similar loan product?	Self				
11	For member-based organizations only: How much (in local currency) is the initial fee(s) charged during the first year of membership in order to enroll and maintain membership	MIS				
12	Do you require land and housing property (with legal titles) as loan collateral (1 = Never, 2= for less than 30 % of the loans, 3= about 30-60 %, 4 = about 60-90%, 5 =	Self				
13	Do you rely on social collateral (i.e. solidarity among groups, recommendation by trusted third party)	Self				

Comments on this table:

Dimension 2: Pro-poor services and products**Subdimension 2.2 Type of non-financial services offered by the MFI**

No	Indicator	Source	Relevance (1-3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
1	Does the MFI offer (itself or in close contractual partnership with other institutions) to clients and/or their communities any of the following ...	Reports				
2	... Preventive Health services (1=Yes, 0=no)	MIS				
3	... Curative health services to clients (1=Yes, 0=no)	Self				
4	... Nutrition education services (1=Yes, 0=no)	Self				
5	... Business training (1=Yes, 0=no)	Self				
6	... Literacy training (1=Yes, 0=no)	Self				
7	... Social Awareness training (1=Yes, 0=no)	Self				
8	... Legal Counsel (1=Yes, 0=no)	MIS ?				
9	... Market Information (Inputs, outputs, marketing) (1=Yes, 0=no)	Self				
10	... School education to children (1=Yes, 0=no)	MIS?				

Comments on this table:

Dimension 2: Pro-poor services and products**Subdimension 2.3 Client satisfaction**

No	Indicator	Source	Relevance (1 –3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
1	% client drop-out (exact definition to be given in the final questionnaire)	Reports				
2	% of client drop-out with below-average loan size	MIS				
3	% of client drop-out differentiated by gender	MIS				
4	% of client drop-out differentiated by other socio-economic characteristics	MIS				
5	Did your MFI conduct a survey on client satisfaction?	Self				
6	Repayment rate (3 months / exact definition to be given in the final questionnaire)	MIS				
7	% of clients who received more than 3 loans	MIS				
8	% of clients who have been clients for more than 3 years	MIS				
9	Did you conduct survey on current clients (differentiated by years of membership), and clients who drop out? If so, on a scale from 1 to 5, how would you rate the expectation/past satisfaction with the MFI (5 is the value for excellent satisfaction)?	If no surveys yet, future potential: Survey on clients				

Comments on this table:

DIMENSION 3: IMPROVING SOCIAL AND POLITICAL CAPITAL OF CLIENTS AND COMMUNITIES**Subdimension 3.1 Empowering clients (who among them and for what)**

No	Indicator	Source	Relevance (1-3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
1	Do clients of your MFI elect representatives? (1=Yes, 0=no)	Reports				
2	What are the functions of elected members?	Reports				
3	% of women among elected members (compared to % of women among all clients)	MIS				
4	% of landless among elected members (compared to % of landless among all clients)	Self				
5	% of youth (below 25 years) among elected members (compared to % of youth among all clients)	Self				
6	Do representatives of clients and the senior management of the MFI meet to discuss the structure or conduct of the MFI?	Self				
7	Have the clients (and/or the representatives) formed other organizations/lobby groups at community or higher levels? (1=Yes, 0=no)	Self				
	Have the clients (and their groups) voiced their interest in ...	MIS				
8 Private firms and their organizations (such as chamber of commerce, ...) (never=1, occasionally=2, frequently=3)	Self				
9 Social organizations (labor unions, religious organizations, etc. ... (never=1, occasionally=2, frequently=3)	MIS				
10 Government organizations (never=1, occasionally=2, frequently=3)	Self				
11 Non-government organizations (never=1, occasionally=2, frequently=3)	Self				
12	Percent of expected clients actually attending a meeting					
13	Do the socially excluded (women, often the poor) speak in client meetings? (never=1, rarely =2, rather often=3, very often=4, at all the meetings=5)					

Comments on this table:

DIMENSION 3: IMPROVING SOCIAL AND POLITICAL CAPITAL OF CLIENTS AND COMMUNITIES**Subdimension 3.2 The role of the MFI as lobby institution for the powerless**

No	Indicator	Source	Relevance (1 –3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
	Has your MFI (as institution) been invited to participate in any of the following:	Self				
1	- planning meetings of the government (never=1, occasionally=2, frequently=3)	Self				
2	- planning meetings with non-governmental organizations (never=1, occasionally=2, frequently=3)	Self				
3	- social/political movements with a focus to improve the situation of the poor in society (never=1, occasionally=2, frequently=3)	Self				
	Are any of the senior management team elected members of	Self				
4	- village/district councils (1=Yes, 0=no)	Self				
5	- political parties(1=Yes, 0=no)	Self				
	Do any of the senior management team serve on honorary positions for	Self				
6	Religious organizations(1=Yes, 0=no)	Self				
7	Cultural/community organizations(1=Yes, 0=no)	Self				
	How do you assess the MFI's influence (1= weak, 5 = very strong) on decision-making regarding	Self				
8	- government organizations in the operational area of the MFI	Self				
9	- private/ NGO sector in the operational area of the MFI	Self				

Comments on this table:

DIMENSION 3: IMPROVING SOCIAL AND POLITICAL CAPITAL OF CLIENTS AND COMMUNITIES**Subdimension 3.3 Transparency, accountability, and access to information**

No	Indicator	Source	Relevance (1 –3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
1	Do clients receive written statements on each of their financial transactions? (1=Yes, 0=no)	Self				
2	Do clients have a passbook for their savings? (1=Yes, 0=no)	Self				
3	Do clients have a passbook for their loans? (1=Yes, 0=no)	Self				
4	Are local officials, NGOs, and other institutions informed by the MFI about its products and services? (Never=1, only at the beginning=2, rather regularly (e.g. once a year)=3, regularly (e.g. 2 or 3 times a year)=4, on a very regular basis (e.g. every month))	Self				
5	Are clients (peers) involved in business decisions of the MFI, e.g. related to loan rationing (??) ? (Never=1, only at the beginning=2, rather regularly (e.g. once a year)=3, regularly (e.g. 2 or 3 times a year)=4, on a very regular basis (e.g. every month))	Self				
6	What loan size can the lowest-level loan officer decide upon without consulting a higher level (in local currency)?	Self				
7	What loan size can the medium-level loan officer decide upon without consulting a higher level (in local currency)?	Self				

Comments on this table:

DIMENSION 4: SOCIAL RESPONSIBILITY OF MFI**Subdimension 4.1 Rules of conduct met by the MFI as employer**

No	Indicator	Source	Relevance (1 –3)	Self- assessment (1-3)	Ease of info (1-3)	Overall satisfaction (1-5)
1		Self				
2		Self				
1	Do the MFI provide a safe work place (e.g. protection for the cashier, for the loan officers travelling with the funds, etc.)? (many problems of security have been recorded=1, some problems have been recorded=2, some problems in the past but solutions have been proposed=3, no problems recorded=4, no problems recorded and solutions provided to provide a safe place=5)	Self				
2	Do the MFI provide health coverage for employees? (1 = Never, 2= for less than 30 % of the employees, 3= for about 30-60 %, 4 = for about 60-90%, 5 = for more than 90%/all the employees)	Self				
3	Training of employees ((% of budget p.a.)	MIS				
4	% of women as part of all staff	MIS				
5	% of women as part of junior management	MIS				
6	% of women as part of senior management	MIS				
7	% staff who left the MFI in last 12 months	MIS				
8	% staff who joined the MFI in last 12 months	MIS				
	Random sample of staff of MFI (from wage list for example): Ask the following questions:					
9	1-5 rank on salary adequate	Survey				
10	1-5 rank on health coverage adequate	Survey				
11	1-5 rank on work safety regulations/rules adequate	Survey				
12	1-5 rank on training of staff (and other criteria possible)	Survey				

Comments on this table:

Dimension 4: Social Responsibility of MFI**Subdimension 4.2. Adaptation to local culture, traditions and values**

No	Indicator	Source	Relevance (1-3)	Self-asses. (1-3)	Ease of info (1-3)	Overall satisf. (1-5)
1	Does the MFI conduct social studies before opening a new branch (surveys on informal forms of financial services, social structures in the local community, local values and traditions, etc.)? (Never=1, only at the beginning=2, only recently (e.g. since one or 2 years)=3, for most of the branches=4, for all the branches=5)	reports				
2	Did the MFI ever conduct social impact studies? (1=Yes, 0=no)	reports				
3	Does the MFI work with the local authorities ((Never=1, consultation only at the beginning=2, consultation rather regularly (e.g. once a year)=3, consultation regularly (e.g. 2 or 3 times a year)=4, the local authorities are part on the decision making process=5)	self				
4	Does the MFI propose services specifically adapted to social, religious or cultural preferences (e.g. savings for pilgrims, no "interest rates" in muslim areas, etc.) (universal services developed by the model followed by the MFI=1, some specific services adapted to the local culture=2, all the services specifically adapted to the local culture=3)	self				
5	Does the MFI work with local officers who can speak the local language and know the local culture (no=1, less than 30% of the loan officers come from the local community=2, 30-60% of the loan officers come from the local community=3, 60-90% of the loan officers come from the local community=4, more than 90%/all of the loan officers come from the local community=5)	self				
6	Does the MFI take account of the local values for repayment, social organisation of the MFI, etc. (no, the organisation is based on the model followed by the MFI=1, some specific values are taken into account in the organisation=2, all the organisation has been decided according to the local values=3)	self				
7	Does the MFI take account of the local structures (local authorities, religious, social, economic or cultural groups, families, etc.) for repayment, structure of the MFI, etc. (no, the organisation is based on the model followed by the MFI=1, some local structures are associated in the organisation=2, all the organisation of the MFI rely on local structures =3)	self				
	On a scale from 1 (bad) to 5 (excellent), how do you rank the relationships between staff and clients in terms of...					
8	... trust between staff and clients	self				
9	... exchange of information between staff and clients	self				
10	... balanced relationships and implication of clients in decision-making	self				
	On loan guarantees and their adaptation to local conditions:					

11	Does your MFI offer free conditions to form a group for group methodology? (0=no, 1=yes) If not, what are the conditions (regarding family members, men/women, activities, etc.)?	self				
	What are the forms of social pressure in case of non payment:					
11	... traditional authorities (1=Yes, 0=no)	self				
12	... local police (1=Yes, 0=no)	self				
13	... local justice (1=Yes, 0=no)	self				
14	... local government (1=Yes, 0=no)	self				
15	... MFI internal system of control based on staff (1=Yes, 0=no)	self				
16	... MFI internal system of control based on clients representatives (1=Yes, 0=no)	self				
17	... MFI internal system based on staff and clients representatives (1=Yes, 0=no)	self				
18	... combination of forms (1=Yes, 0=no)	self				
19	Has the MFI used any socio-anthropological studies to compare the traditional forms of sanctions and the system of guarantees and pressure implemented by the MFI? (1=Yes, 0=no)	self				

Comments on this table: